APPENDIX A-1.

Commonwealth of Kentucky
STATE BOARD OF HEALTH

In the Matter of:

STANLEY G. BANDEEN,
Respondent.

* * * * *

FINDINGS AND ORDER
OF
STATE BOARD OF HEALTH

* * * * *

This case coming on for decision at a meeting of the State Board of Health held on December 13, 1951, and the undersigned, who constitute a majority of the members of said Board, having considered the record, evidence and briefs herein, the aforesaid State Board of Health, after deliberation in closed session, *finds that the Respondent, Stanley G. Bandeen, a licentiate of said Board, has, while a licentiate of said Board, engaged in acts and conduct that were grossly unprofessional and dishonorable and of such character that they were likely to, and did deceive and defraud the public and certain patients and persons, within the meaning of section 311.110(4) Kentucky Revised Statutes.*

WHEREFORE, the State Board of Health, acting pursuant to the authority conferred upon it by Sections 311.110 and 311.120 Kentucky Revised Statutes, and upon motion made by Dr. Carl J. Johnson, seconded by Dr. George S. Coon, which was unanimously adopted by the undersigned, *hereby absolutely revokes* any and all licenses heretofore issued by said Board to the Respondent, Stanley G. Bandeen, to practice osteopathy, to administer drugs and/or to

practice any healing art whatsoever, within the Commonwealth of Kentucky; this order of revocation shall become effective at midnight on December 30, 1951, unless prior thereto said Respondent appeals to the Governor of the Commonwealth of Kentucky in the manner provided by Section 311.120(3) Kentucky Revised Statutes, in which event this order of revocation shall stand suspended pending *decision by said Governor upon said appeal.*

The Secretary of the State Board of Health is directed to make this finding and order a part of the minutes of said Board, and to cause copies hereof to be forwarded to the Respondent and made a part of the record of this proceeding.

(*Doctor Bruce Underwood, Secretary of the State Board of Health, did not participate in the above described deliberation or decision.)

STATE BOARD OF HEALTH

By (s) E. M. Howard
President and member

(s) J. Watts Stovall
Vice President and member

(s) Geo. S. Coon
Member

(s) W. H. Fuller
Member

(s) F. M. Travis
Member

(s) R. W. Robertson
Member

(s) Carl J. Johnson
Member

(s) Clarence B. Davis
Member

APPENDIX A-2.

REPORT OF THE GOVERNOR'S COMMISSIONER.

January 14, 1953

Honorable Lawrence W. Wetherby,
Governor, Commonwealth of Kentucky,
Frankfort, Kentucky.

Re: *Appeal of Dr. Stanley G. Bandeen from order of State Board of Health revoking his license to practice osteopathy in Kentucky.*

Dear Governor:

The above proceeding involves an appeal under Section 311.120(3) of Kentucky Revised Statutes by Dr. Stanley G. Bandeen, a licensed osteopath, from an order of the State Board of Health, dated December 13, 1951, revoking his license to practice osteopathy in Kentucky.

There have been hearings before me on two occasions in which the attorneys for the parties appeared, and the case argued and the various questions involved discussed and considered at length.

I am of the opinion that the records in this case contains evidence which supports the order and finding of the State Board of Health, and that such order, under the prevailing rule of law, should therefore be affirmed.

Accordingly, it is my view that the order of the State Board of Health revoking the license of Dr. Stanley G. Bandeen to practice osteopathy in Kentucky under the record should be affirmed.

Yours respectfully

(s) Marion Rider

APPENDIX A-3.

DECISION OF THE GOVERNOR OF THE COMMONWEALTH OF KENTUCKY.

DECISION.

In Re: Appeal of Dr. Stanley G. Bandeen from Order of State Board of Health revoking any and all licenses heretofore issued by the said Board to practice osteopathy, to administer drugs and/or to practice any healing art whatsoever.

The findings and the decision of the State Board of Health in the case of Dr. Stanley G. Bandeen and the recommendation of my Commissioner, Mr. Marion Rider, Frankfort, Kentucky, are hereby sustained.

(s) Lawrence W. Wetherby
Governor

Attest:

(s) Charles K. O'Connell
Secretary of State

March 11, 1953.

APPENDIX A-4.

FRANKLIN CIRCUIT COURT
January 20, 1954
No. 45819

Stanley G. Bandeen, - - - - - Plaintiff,

v.

E. M. Howard, et al.,
State Board of Health of Kentucky, et al., - Defendants.

OPINION.

The restraining order is set aside and plaintiff's motion to strike and his general demurrer to Defendants' answer is overruled.

The appeal from the Governor's Order should be and is dismissed.

(s) W. B. Ardery,
Judge, Franklin Circuit Court.

APPENDIX A-5.

FRANKLIN CIRCUIT COURT
No. 45819.

Stanley G. Bandeen, - - - - - - Plaintiff,

v.

E. M. Howard, et al.,
State Board of Health, et al., - - - Defendants.

JUDGMENT.

This action having been substituted for trial and judgment, pursuant to an agreed order entered herein on or about May 7, 1953.

And the Court having considered the pleadings and exhibits thereto, and the transcripts of record and evidence of proceedings before the State Board of Health, and the plaintiff's motion to strike and general demurrer to Defendants' Answer, and all other matters that were filed herein.

And the Court having also considered the briefs filed on behalf of the parties hereto by counsel for the plaintiff and by counsel for the defendants.

Now, therefore, the Court, being sufficiently advised, orders and adjudges as follows:

(1) That the Plaintiff's motions to strike and general demurrer to the defendants' answer, be and they are hereby overruled:

(2) That the temporary restraining order heretofore issued herein by the Clerk of this Court, be and the same is hereby dissolved, vacated and set aside;

(3) That the plaintiff's petition herein be and the same is hereby finally dismissed and that the plaintiff receive nothing thereby;

(4) That the defendant have and recover of the plaintiff, Stanley G. Bandeen, all costs herein, for which execution may issue.

Exceptions are reserved to the plaintiff to all the foregoing.

W. B. Ardery,
Judge.

APPENDIX A-6.

COURT OF APPEALS OF KENTUCKY
October 5, 1956

Stanley G. Bandeen, - - - - - - Appellant,

v.

E. M. Howard, et al., - - - - - - Appellees.

Appeal from Franklin Circuit Court,
Honorable W. B. Ardery, Judge.

OPINION OF THE COURT BY JUDGE STEWART—AFFIRMING.

Stanley G. Bandeen filed this suit in the Franklin Circuit Court seeking to enjoin the State Board of Health of Kentucky (herein referred to as "the Board") from enforcing its order revoking his license to practice osteopathy in Kentucky. The circuit court denied the injunction and Bandeen appeals, urging these grounds for reversal: (1) The Board had no jurisdiction of the case; (2) there was no evidence to support the Board's order; (3) its order was void because it made no findings of facts; (4) Bandeen was denied a fair and impartial trial; and (5) the proceeding became a nullity when the statute under which the Board was proceeding was repealed.

Bandeen was admitted to the practice of osteopathy in Missouri in 1922 and in 1926, through reciprocity, was licensed to pursue the same profession in Kentucky. At the hearing before the Board, he admitted that he did not hold

the degree of Doctor of Medicine; that he had no right to use the professional title of "Doctor of Medicine" or its abbreviation, "M. D."; and that he was not entitled to engage in the general practice of medicine or surgery.

On April 18, 1950, Bandeen received a letter from the secretary of the Board notifying him to "show cause" within thirty days why his license should not be revoked because of "grossly unprofessional or dishonest conduct of a character likely to deceive or defraud the public in the treatment of cancer and tuberculosis." This proceeding was pitched under KRS 311.110(4), then in force. Bandeen appeared and filed special and general demurrers on the grounds that no complaint had been entered against him and that he had not been furnished with a copy of any complaint that might have been filed against him pursuant to KRS 311.120(1), which was in effect at the time. Thereupon this meeting of the Board was adjourned and thereafter the secretary of the Board, by a communication dated August 4, 1950, notified Bandeen of a hearing to be held before the Board on September 7, 1950, and attached a copy of a complaint setting out certain specific charges. These charges were, briefly stated, using medicines of doubtful value, imposing excessive charges, making unjustified promises of cure and deceiving patients about their physical condition, following unorthodox diagnostic procedures, employing scare tactics, and failing to provide for adequate relief of pain. A list of six patients and their dates of treatment, with reference to whom the charges were made, was appended. This complaint was demurred to on the ground that the notice did not give sufficient information as to the time and place of the treatments and as to the parties involved. The demurrer was overruled.

Bandeen's challenge to the jurisdiction of the Board is bottomed upon the contention that it initiated the instant proceeding against him in its name, whereas it is main-

tained the correct mode of preferring charges against him was by the verified complaint of some individual. This position is untenable. There was nothing in the applicable statutes in effect in 1950 which prohibited the Board from instituting a revocation proceeding upon the basis of information received by it or by any member thereof. It is well established that in the absence of express statutory restraints an administrative agency may inaugurate investigations and hearings of the character under discussion on its own motion. This is one of the distinctive functions of such agencies which sets them apart from the courts. See 42 Am Jur., Public Administrative Law, Sec. 31, p. 323; Federal Communications Commission v. Pottsville Broadcasting Co., 309 U. S. 134, 84 L. Ed. 656, 662.

The second ground alleged as error is that the evidence does not sustain the Board's order of revocation. This assertion requires an examination of the evidence. However, before we give a summary of the proof, attention should be called to the fact that an exhibit in the record shows Bandeen was listed in the classified ad section of the Louisville telephone directory as a "Doctor of Medicine". The secretary of the Board stated that demands had been repeatedly made upon Bandeen, beginning as far back as 1944, to discontinue this type of listing, but such demands were not acceded to until shortly before the hearing of his case by the Board. Bandeen frankly admitted at the hearing he had no right to advertise as a "Doctor of Medicine". We believe his action in holding himself out in the manner we have indicated, knowing full well he was practicing a deception upon the public in respect to his professional status, constituted an unethical act tantamount to fraud. See 41 Am. Jur., Physicians and Surgeons, Sec. 51, p. 178.

The label of "miracle doctor" had become attached to Bandeen in the community where he practiced. He denied he ever referred to himself in such fashion, but he freely

conceded he was recognized for his outstanding curative powers and indicated this reputation was justified because of the "marvelous recoveries" he had effected by the type of treatment he employed. He administered the so-called "Koch shots" to patients he diagnosed to have cancer. His charges for these shots ranged from $100 to $150. He testified he procured the substance he injected into his patients from an organization or cult known as the Christian Medical Research League of Detroit, Michigan, at a cost of $25 per shot. When one of the Board members inquired whether his charges for the shots were not out of proportion to their cost, he claimed every treatment also included an examination of the "eyes, ears, nose, throat, heart, lungs, rectum, nerves, teeth, tonsils, etc." He declared he was aware the "Koch shots" had been fully investigated by the American Medical Association and had not been recommended by it. He also stated he was virtually the only practitioner in Kentucky who subscribed to this method of treatment.

One of Bandeen's patients, Mary Frances Rucker, was pronounced by him to have a cancerous tumor and, according to her husband, Everett Rucker, she grew worse and Bandeen said he could cure her and gave her three "Koch shots", charging $100 for each. When Bandeen went to see her he made a remark in the presence of both Rucker and his wife that a rubber sheet should be placed under the latter because "she's going to burst wide open and die right now." Rucker stated his wife was in great pain and Bandeen did nothing to relieve her. He also testified Bandeen's statement so frightened his wife that she "went crazy as a bedbug" and had to be later confined in the Central State Hospital as a lunatic where she remained about two months. She died some sixteen months later.

Lue Limp testified Bandeen performed hemorrhoid surgery upon her, charging her $150 for the operation. He

told her "cancer would be her trouble later", and offered to give her a cancer shot for an additional $150. She said this diagnosis induced her to submit to an injection. Subsequently she went to Doctor Henry Asman who operated on her for hemorrhoids and advised her she did not have cancer.

John Fred Herms, who had been twice operated upon for a cancerous condition in the throat and had been informed he did not have long to live, went to Bandeen for treatment when he heard he was a "miracle doctor". Bandeen said he considered Herm's case hopeless. Nevertheless, he administered a shot to Herms. The latter's mother testified that while he was suffering excruciating pains Bandeen gave him some tablets which he enjoined him not to take unless he had "dying pains". Herms died five days later.

Bandeen took the stand and testified in his own behalf and introduced only one witness, his office nurse. The tenor of his testimony, as a whole, was to justify his curative methods.

On December 13, 1951, upon the basis of the evidence recited, the Board found that Bandeen "while a licentiate of said Board, engaged in acts and conduct that were grossly unprofessional and dishonorable and of such character that they were likely to, and did, deceive and defraud the public and certain patients and persons, within the meaning of KRS 311.110(4)."

The general rule is that, in the absence of statutory directions (and there is no direction in our law), the findings of fact of an administrative board, such as the State Board of Health, are conclusive upon a reviewing court, if such are supported by substantial evidence, and even if such are based upon conflicting evidence. See 42 Am. Jur., Public Administrative Law, Sec. 211, p. 626. Such findings of fact should not be disturbed where the board had juris-

diction of the case and acted honestly and impartially, and not arbitrarily. See 70 C. J. S., Physicians and Surgeons, p. 904. See also Board of Health of Covington v. Koilman, 156 Ky. 351, 160 S. W. 1052.

Uncontroverted testimony was developed to the effect that Bandeen had paid for a listing in the Louisville telephone directory as a "Doctor of Medicine", although he did not have this professional status, and had in 1944, and several times thereafter, been warned by the Board to have the listing removed, which warning he ignored until this proceeding was begun. He also gave the so-called "Koch shots" for cancer treatment, with knowledge that after investigation the American Medical Association had branded the use of such a substance valueless therapeutically. It was brought out that Bandeen charged $100 to $150 for each "Koch shot" while the cost of each shot was only $25. He gave conflicting testimony as to what the services for each charge involved. It was stated Bandeen refused to relieve pain on two occasions and employed methods that terrorized on another. All this was denied by him. There was proof that Bandeen claimed in several instances that "Koch shots" would cure cancer. He refuted this testimony in part.

Considering the evidence which was not controverted and that which the Board could have believed, it could only with difficulty be held that its order was not supported by any substantial evidence. Nor can it be said its decision was not an honest and impartial one. In Forman v. State Board of Health, 157 Ky. 123, 162 S. W. 796, this language appears: "Whether the physician's acts were sincere or fraudulent and done for the purpose of defrauding the public is a question to be decided by the Board on all the facts."

The testimony introduced before the Board concerned patients diagnosed and treated by Bandeen as cancer cases. It is common knowledge that medical science has as yet

discovered no drug that will cure this disease in its malignant state. Despite this fact, it will be recalled Bandeen gave assurance, according to the testimony of Everett Rucker, that he could heal the latter's wife who was suffering from cancer in an aggravated form. He gave her three "Koch shots" at a cost of $100 per shot. Her illness was so advanced it should have been apparent to Bandeen that he could do nothing to save her life. It has been held that the acceptance of money upon the promise or representation of being able to cure a disease regarded by the consensus of medical opinion as incurable constitutes such unprofessional and dishonorable conduct as would warrant a license revocation. See Freeman v. State Medical Examiners, 54 Oklahoma 531, 154 Pac. 56.

It is next argued the order was a nullity because it did not set out any findings of fact. The statute under which the proceeding was instituted and conducted did not require that such be done. Written special findings by administrative agencies are not necessary in order to meet due process of law requisites. See Davis on Administrative Law (1951 Ed.), pp. 524 and 526. It has been held that a revocation of license for "unprofessional conduct" was valid, although it was not supported by a written particularization of evidentiary facts, since the record itself supplied these matters. See Duvall v. Board of Medical Examiners of Arizona, 19 Ariz. 329, 66 Pac. 2d 1026. In Barren v. Board of Dental Examiners of the State of California, 44 Cal. App. 2d 790, 113 P. 2d 247, a finding that one of its licensees was "guilty as charged in the accusation" was sufficient to support an order of license revocation; and in State ex rel. Ball v. State Board of Health, 325 Mo. 111, 26 S. W. 2d 773, an order to revoke a license was adjudged adequate, even though the record did not recite that the licensee stood convicted of the offense charged.

Bandeen's insistence that he was not accorded a fair and impartial trial is based upon a two fold argument: (a) That the secretary of the Board was antagonistic toward him at the hearing which prevented his receiving neutral treatment and that this officer was allowed to read a report he had compiled concerning Bandeen's alleged professional misconduct; and (b) that in September, 1951, over a year after the hearing, counsel for the Board filed with it a copy of an opinion and an order of the Federal Trade Commission in the Matter of Koch Laboratories, Inc., etc., as respondents. Briefly stated, this opinion held that the so-called "K[illegible] shots" in their various compounds have no therapeutic value in cancer or tuberculosis treatment, nor any beneficial effects as healing drugs, and, furthermore, that they have adverse effects on some persons when employed as a curative agent; and the order directed the respondents to cease disseminating these preparations by any means in commerce. The Federal Trade Commission opinion was later affirmed by the United States Court of Appeals for the Sixth District. See Koch, et al. v. Federal Trade Commission, 206 F. 2d 311. Bandeen asserts he was not given an opportunity to produce counter evidence on the report and on the opinion.

It is true the secretary of the Board did much of the questioning of Bandeen, but this was not improper under the circumstances. Also, during the hearing, the secretary was permitted to give general information surrounding the complaint against Bandeen over the years. Bandeen argues this was prejudicial and denied him a fair hearing. It is patent the secretary's statements were pure hearsay and not competent for any purpose. However, Bandeen was given ample opportunity to introduce rebuttal evidence. Proceedings before administrative boards are informal and a wide latitude is allowed in taking proof and the technical rules of procedure are not ordinarily enforced. See Good-

rich v. Selligman, 298 Ky. 863, 183 S. W. 2d 625. The secretary abstained from voting to revoke Bandeen's license. Furthermore, there was ample evidence other than that contained in the report of the secretary to sustain the Board's order. As to Bandeen's theory that he was dealt a wrong because the Board relied upon the Federal Trade Commission opinion in arriving at the conclusion it reached, our answer to that is the opinion was a finding of law, and not one of fact, hence the Board could take judicial notice of it. Especially is this true since the Federal Trade Commission opinion was later affirmed by the Sixth United States Circuit Court of Appeals.

KRS 311.120(3), before its repeal, provided that a licensee whose license had been revoked by the Board "may appeal to the Governor who may affirm or overule the decision of the Board." Bandeen appealed to the Governor after the Board entered its order on December 13, 1951. While the matter was pending before the Governor, the General Assembly at its 1952 session passed a comprehensive Act relative to physicians, osteopaths and chiropodists, now KRS Chapter 311, which became effective June 19, 1952, and which repealed KRS 311.110 (1948 Ed.). By KRS 311.595(1) (1953 Ed.), the Board retained its authority to revoke licenses on an expanded number of grounds, and these included the four listed under the repealed statute. The new enactment deleted the right of an appeal to the Governor, set forth in KRS 311.120(3), a part of the old Act. However, the Governor nevertheless reviewed the proceeding before the Board and upheld it.

Bandeen earnestly insists that the Board's order was voided while his appeal was pending before the Governor, since KRS 311.120(3) (1948 Ed.) was repealed without a saving clause. We do not agree. The simultaneous repeal and the reenactment of substantially the same statute, or of portions of it, do not at common law work a repeal of

the former act, but the substituted statute is construed as a continuation of the original provisions. Jones v. Kentucky State Board of Dental Examiners, 291 Ky. 136, 163 S. W. 2d 297. The jurisdiction of the Board was not disturbed, and the appellate jurisdiction was simply transferred from the Governor to the Jefferson Circuit Court. Since the new legislation did not impair the previously existing right, nor deny a remedy for its enforcement, but only modified the proceedings while providing a similar remedy, the jurisdiction continues under the forms directed by the repealing act, in so far as the two acts differ. Kingan & Co. v. Ossam, 75 Ind. 548, 121 N. E. 289.

It would seem that, upon repeal of the section conferring jurisdiction upon the Governor to pass upon an appeal of this kind, Bandeen should have appealed to the Jefferson Circuit Court, the only body with jurisdiction to hear the appeal under the existing law, and that, failing to follow this designated procedural step, he should be denied injunctive relief for this reason also.

Wherefore, the judgment is affirmed.

Attorney for Appellant:
BLAKEY HELM,
510 Marion E. Taylor Building,
Louisville, Kentucky.

Attorneys for Appellees:
MARTIN R. GLENN,
Marion E. Taylor Building,
Louisville, Kentucky,
JOHN P. GODFREY, JR.,
620 South 3rd Street,
Louisville, Kentucky,
WYATT, GRAFTON & GRAFTON,
300 Marion E. Taylor Building,
Louisville, Kentucky.

APPENDIX A-7.

NOTE: This decision was affirmed by the 6th U. S. Court of Appeals, July 8, 1953. See Koch, *et al.* v. Federal Trade Commission, 206 F. 2d 311.

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL TRADE COMMISSION

Commissioners:

James M. Mead, Chairman
William A. Ayres
Lowell B. Mason
John Carson
Stephen J. Spingarn

September 4, 1951

In the Matter of

Koch Laboratories, Inc., a corporation,
William F. Koch, individually and as an officer of Koch Laboratories, Inc., and
Louis G. Koch, individually and as an officer of Koch Laboratories, Inc.

Docket No. 4772

FINDINGS AS TO THE FACTS AND CONCLUSION.

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on June 13, 1942, issued and subsequently served its complaint in this proceeding upon the respondents named in the caption hereof, charging said respondents with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of that Act. After the filing of respond-

ents' joint answer to the complaint, testimony and other evidence in support of and in opposition to the allegations of the complaint were introduced before a trial examiner of the Commission theretofore duly designated by it and such testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission upon the complaint, respondents' answer, testimony and other evidence, the trial examiner's recommended decision and exceptions thereto, briefs in support of and in opposition to the allegations of the complaint, and oral argument; and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the public interest and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH ONE: At the time this proceeding was instituted, the respondent Koch Laboratories, Inc., was a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan, and maintained its principal office and place of business at 8181 East Jefferson Avenue, Detroit, Michigan. Respondents William F. Koch and Louis G. Koch are individuals who have acted respectively as president and treasurer of respondent Koch Laboratories, Inc. Respondents William F. Koch and Louis G. Koch have been actively engaged in the conduct of the business of respondent Koch Laboratories, Inc., and have directed and controlled the sales and advertising policies of such corporate respondent.

PARAGRAPH TWO: Respondents for many years prior to the time when this proceeding was instituted engaged in the business of selling and distributing certain preparations designated as "Glyoxylide," "B-Q" and "Malonide Ketene

Solution," which preparations have been offered for sale and sold by respondents as treatments for various diseases and conditions of the human body and in animals. The respondents have manufactured said preparations and caused them to be transported from Detroit, Michigan, to purchasers thereof located in various States of the United States other than the State of Michigan and in the District of Columbia, and during the period aforesaid have maintained a course of trade in said preparations in commerce among and between the various States of the United States.

PARAGRAPH THREE: In the course and conduct of their business the respondents have disseminated, and have caused the dissemination of, advertisements concerning said preparations by the United States mails and various means in commerce, as "commerce" is defined in the Federal Trade Commission Act; and respondents have disseminated, and have caused the dissemination of, advertisements concerning such preparations by various means for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase thereof in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PARAGRAPH FOUR: Among and typical of the statements and representations contained in advertisements in periodicals, pamphlets, circulars and other promotional matter disseminated as aforesaid and caused to be disseminated or mailed by respondents subsequent to March 21, 1938, to doctors of medicine, including homeopathic physicians and other practitioners of the healing arts, including naturopaths, in furtherance of the sale and distribution of their preparations, are the following statements and representations:

> "THE BASIS OF IMMUNITY is, after all, the vital principle, the OXIDATION MECHANISM. When its catalysis ceases, death is the result. When its activity

wanes, the toxins that support pathogenic germ activity, that produce allergy, or that cause cancer, are not destroyed in the body, and can execute their effects. All of these toxins depend upon their free valencies between carbon atoms, between carbon and oxygen, and between carbon and nitrogen for their pathogenic photochemic action.

"OUR SYNTHETIC ANTITOXINS not only activate oxygen, but they activate the toxic free valencies of germ and allergy poisons to accept the activated oxygen and thus become burned to harmless structures. Therefore, our active principles are fundamentally and universally useful."

"* * * Certain polymerization phases have specific pathogenic action, while others have no action at all. The rapidity of the recover from Virus caused disease after one dose of our Benzoquinone solution or one of the transition forms, Glyoxylide or Malonide, can only be accounted for by this assumption, for recovery from early acute infantile paralysis has taken place in twenty-four hours and measles recovers regularly in twelve hours."

"SYNTHETIC ANTITOXINS

For the Infections—

* * *

1:4 Benzoquinone,

* * *

For the ALLERGIES—

Malonide * * *

Ketone * * *

For CANCER, and the DEGENERATIVE diseases—

Glyoxylide, O=C=C=O

* * * * * *"

"GLYOXYLIDE

* * *

for

ALLERGY
CANCER
INFECTION

* * *"

"B-Q

* * *

"FOR THE INFECTIONS AND THEIR SEQUELAE."

*. "In both coronary occlusion and obliterative endarteritis besides the allergy to such toxins as that in tobacco which excite the angiospasms and the hypertrophic response in the cells of the intima, the pain of the vascular spasms and muscle spasms occurring with occlusion and circulatory failure are due to the presence of incompletely burned materials produced by muscle contraction in the absence of a supply of oxygen and glucose. In such areas the oxidation catalyst must also be exhausted, and a fresh supply behaves specifically in reducing the pain and correcting the pathology. The spasms and hyperplasia of the original allergic response are quickly correctly and sufficient circulation is soon restored to the part to burn up the pain producing products of muscle spasm through the catalysis of the glyoxylide. The toxic substances and their effects are thus removed and with reasonable time the whole pathology is corrected."

* * *

"ANGIONEUROTIC OEDEMA * * *. Condition seemed almost fatal for a half-hour before glyoxylide was given intramuscularly. In less than two minutes relief was perhaps 80 per cent. Recovery complete within one hour."

"OBLITERATIVE ENDARTERITIS * * *. Obliterative endarteritis, both legs and feet to the knees. Much pain, bedfast. Amputation at knees requested by surgeon. Blood sugar 380. One dose glyoxylide followed in three months by much improvement and in six months

by complete recovery. Blood sugar 80. No return of trouble. * * *"

"* * * Hay fever, asthma, severe sinusitis, generalized, pigmented, itching hives constantly. * * * One dose of glyoxylide was given in May, 1934. Recovery complete in all respects within six months."

"DEMENTIA PRAECOX * * *. Recovery was complete in two years after two injections of glyoxylide solution. * * *"

"EPILEPSY * * *. One dose of glyoxylide solution given August 12, 1929 was followed by a gradual recession of the disease, so that by the twelfth week only a few petit mal were observed and thereafter recovery became complete, with no more fits. * * *"

"PSORIASIS * * *. At the time of glyoxylide injection body was generally covered, hair and nails affected. Ears almost separated from scalp. Recovery completed and heart action returned to normal fourteen weeks after one injection of glyoxylide * * *."

"* * * POLIOMYELITIS * * *. Recovery started to show within ten minutes after the first injection (Glyoxylide) * * *."

"According to reports by expert clinicians more is accomplished in *tuberculosis* in three months by one dose of *Glyoxylide* than by five years of sanitarium care. Many of the most advanced cases of *tuberculosis of the lungs and bones* recover on one dose.

"The results in *leprosy, malaria, syphilis, multiple sclerosis,* and *infantile paralysis* are good, but no statistical estimates have been made as yet."

* * *

"Cases of *insanity* and *epilepsy* have responded well also. Thus the field of action is general, *and the efficiency is extraordinary.*"

* * *

ONE OR TWO DOSES are sufficient generally for complete recovery, where this is possible."

* * * They are all good."

"ARTHRITIS * * *. One dose of glyoxylide was given in December, 1927, pain was soon better and in three months she was able to walk a few steps. In one year recovery had become about ninety per cent of normal and has so remained. * * *"

"TUBERCULAR ARTHRITIS AND OSTEOMYELITIS * * *. One dose of glyoxylide given July 23, 1934 was followed by rapid decrease in the pain and a steady restoration of joint and bone to normal, functionally and structurally, with perfect use of leg and full motion within nine months. * * *"

"A case of *abscess of the prostate* with *septicemia* becoming worse after Sulfathizaole recovered splendidly following a dose of *Glyoxylide.*"

"In a series of some three hundred cases of asthma, eczema, and hay fever, over eighty-five per cent made full recoveries on one or two doses of Glyoxylide."

"WE RECOMMEND
BQ
1:4 BENZOQUINONE
IN THE TREATMENT OF ALL INFECTIONS
AND THEIR SEQUELAE INCLUDING

Gonorrhea, Salpingitis, Sinustis,
Meningitis, Infantile Paralysis,
Septicaemia, Streptococcus Sore Throat,
Pneumonia, Undulant Fever, Malaria,
Coronary Thrombosis, The Allergies,
Diabetes, Cancer, Arthritis,
Degenerative Diseases. * * *"

"MALONIDE, KETENE SOLUTION, has served well in the *Allergies, Infections* and *Cancer,* * * *.

"A boy of two with double *pneumonia* and *osteomyelitis* of the left tibia which had to be opened the full length; the prognosis given by all attendants was early death. Two doses of the Malonide Ketene solution brought full recovery with rapid recuperation. * * *

"A case of *postoperative meningitis* caused by the *Staphlococcus Pyogenes Aureus,* that had passed beyond the convulsive stage into *coma,* and was expected to pass on any minute, made a rapid recovery (ten days) on one dose of *malonide ketene* solution."

"AN EFFICIENT SINGLE DOSE TREATMENT FOR DIABETES
On a Full Carbohydrate Diet
Without Insulin

* * *

"The period of observation includes scattered cases treated since 1922 and recent systematic studies. The cases treated cover about every type known, including a few of diabetes insipidus.

"The treatment material consists of catalytic dilutions of the carriers of aerobic oxidation which we have described in the past elsewhere. (1) These substances are 1:4 Benzoquinone and its transition products Glyoxylide, (O=C=C=O), and Malonide, (O=C=C=C=O), and also Ketene. * * *

"After the remedy is injected one should watch for periodic reactions which play their part in the recovery process. These have already been described. * * * They generally come at three and a half days or three-week intervals until recovery is complete. If an interfering factor prevents recovery it should be identified and removed and the dose repeated. * * *"

"The curative fields of Glyoxylide and Benzoquinone overlap. From experience, Benzoquinone is recommended in the simple allergies, the acute infections, and diabetes; while Glyoxylide is preferred in the chronic infections and their sequelae, cancer, arthritis, and the degenerative diseases. * * *

"One dose is given, and then plenty of time allowed for the recovery process to manifest itself. Acute infections respond very quickly. For example, early acute gonorrhea generally recovers in one or two days after one dose, but the chronic conditions require a period

that is proportionate to the length of time the disease has been established in the individual and his ancestry. It may take three to six months, or even a year or two, for complete recovery. However, the dose is not repeated so long as recovery or good reactions are evident. Thus many of the so-called incurable diseases get entirely well on one dose. But the dose may be repeated if desired. * * *"

"*Acute Appendicitis,* * * *. Twenty-four hours after treatment of one dose of benzoquinone, white court was 13,500, pain nearly gone, no vomiting or nausea, desiring food, pulse 92, temperature 99°. Forty-eight hours after treatment white count 10,350, temperature normal, pulse 80, feeling good, slight sore spot still remaining in appendix region, recovery rapid thereafter."

PARAGRAPH FIVE: Through use of the statements and representations hereinabove set forth and other similar statements and representations not specifically set out herein which purport to be descriptive of the benefits to be derived from use of respondents' preparations, the respondents have represented directly and by implication that the preparation designated "Glyoxylide" is an adequate treatment for and possesses substantial theapeutic value in the presence of any type or stage of cancer, leprosy, malaria, coronary occlusion or thrombosis, multiple sclerosis, arterioselerosis, angioneurotic oedema, obliterative endarteritis, asthma, hay fever, dementia praecox, epilepsy, psoriasis, poliomyelitis, tuberculosis, syphilis, arthritis and osteomyelitis, any type of allergy or infection, abscess of the prostrate gland, septicaemia, and insanity; that the product "B-Q" constitutes an adequate treatment for and possesses substantial therapeutic value in the presence of all infections and their sequelae including gonorrhea, salpingitis, sinusitis, meningitis, infantile palaysis, septicaemia, streptococcus sore throat, pneumonia, undulant fever, malaria, coronary thrombosis, the allergies, diabetes, cancer arthri-

tis, and the degenerative diseases; and that the preparation "Malonide Ketene Solution" constitutes an adequate treatment for and possesses substantial therapeutic value in the presence of the allergic diseases, infections, diabetes, cancer, double pneumonia, osteomyelitis, and post operative meningitis. Through use of the expressions "for the infections," "for the allegries," and "for cancer, and the degenerative diseases", to describe and refer to the properties of their preparations, respondents have represented respectively that their products are of therapeutic value in the treatment of all infections, allergies, cancer and degenerative diseases.

PARAGRAPH SIX: Designated in respondents' pamphlets and literature as constituting the Koch method, respondents' products have been sold in ampules variously containing two cubic centimeters or two and one-half cubic centimeters of solution and are designed to be administered by intramuscular or by intravenous injection. The premise or theoretical basis for the efficacy attributed by respondents to their method is that natural immunity or resistance to disease is brought about by a vigorous oxidation mechanism and that such state of the mechanism destroys and renders harmless germ structures and cancer producing organisms. It is stated by respondents in the advertising that tissues deficient in catalysts promoting and accelerating oxidation lose their immunity or power to burn up the germs causing disease. The substances contained in respondents' products, according to the writings and literature used in promoting the sale thereof, are oxidation catalysts which are described as being synthetically derived and very unstable and delicate in nature.

To the product "Glyoxylide" respondents ascribe the formula O=C=C=O and in substance designate this preparation in some of the promotional matter as an aqueous solution of one part Glyoxylide to one trillion parts of

water. The product "B-Q" also referred to as "1:4 Benzoquinone," is an aqueous solution of one to one million parts of water. "1:4 Benzoquinone" is a recognized chemical entity. "Malonide Ketene Solution," sometimes referred to by respondents as "Ketene," is stated by respondents to have two components. To the component which respondents designated as "Malonide" they ascribe the chemical formula of O=C=C=C=O, which substance is said to as prepared as aqueous solution of one part malonide and one trillion parts of water. The formula O=C=C=C=O is the formula of carbon suboxide, a known product. $H_2C=C=O$, the formula of the other component, is referred to also as "Ketene." "Ketene," that is, the formula $H_2C=C=O$, is a known product.

Respondent William F. Koch affirms that he has isolated the compound O=C=C=O, designated by him as "Glyoxylide." In the opinion of other scientific witnesses, including one trained in the field of biochemistry whose testimony was introduced in this proceeding by counsel supporting the complaint, the compound O=C=C=O does not exist. A basis for this opinion is that various attempts to prepare the anhydride of glyoxylic acid, as reported in the scientific literature, have been failures. Assuming that it exists, however, it would constitute the anhydride of glyoxylic acid. If combined with water, O=C=C=O would be transformed into glyoxylic acid and the transition normally would be a rapid one. With respect to the compound "Malonide," an aqueous solution of carbon suboxide when diluted to 10 to the minus 12 power would become malonic acid probably within an hour. $H_2C=C=O$, or Ketene, combined with water rapidly will form acetic acid, which acid is known to many persons because of its presence in vinegar.

Inasmuch as it is asserted by respondents that their products are identical except with respect to the grade of

their activity, further differentiation between them is unnecessary for the purposes of this proceeding. It is apparent, however, from the statements set out hereinbefore, that respondents' products represent highly dilute solutions. With respect to the product "Glyoxylide," for example, the relationship proportionately between one part O=C=C=O and one trillion parts of water can be said to approximate mathematically that which one second bears in point of time to the total seconds which have elapsed since the year 29, 738 B.C. down to the date on which this case was orally argued before the Commission. There is testimony in the record to the effect that certain of the highly dilute solutions under consideration here cannot be distinguished from water by any tests known to chemical science.

PARAGRAPH SEVEN: The testimony of various scientific witnesses which was introduced into the record by counsel supporting the complaint is to the effect that the oxidation processes have no direct bearing on natural immunity, that the degenerative diseases and allergies are not caused by a defect of the oxidation mechanism of the body, and that although a decline in metabolic processes may cause more susceptibility to some types of infection, other forms of pathogenic germ activity are not dependent on the state of the oxidation mechanism. Moreover, the administration of substances such as thyroid and nitrophenols, which are known to increase oxidation in the body, are not effective treatments for infections, allergic diseases, or degenerative diseases, and in many cases they tend to make the disease worse or adversely affect the patient. In the opinion of certain of the witnesses, no valid scientific basis exists for ascribing to respondents' products any beneficial role whatsoever in connection with carbohydrate or glucose oxidation.

The witnesses testifying in support of the complaint have had wide experience in various fields of medical science, including biochemistry, internal medicine, pediatrics and communicable diseases, pathology, diseases of the metabolism, and degenerative diseases, and they affirm, in substance, that respondents' products, irrespective of the dilution in which they may be used, are of no value in the treatment of any disease or disorder whatsoever. Although these witnesses have not prescribed respondents' products or observed their effects in concrete cases, their broad knowledge, individually and in the aggregate, respecting the fields under inquiry is such that their testimony should be accorded very great weight.

Considered also is the evidence introduced into the record pertaining to several series of scientific experiments entailing the administration in various dilutions of diperoxide of diformaldehyde. The subjects were mice having tumors of spontaneous origin or in which various types of growths had been induced. The experimental procedures also utilized other groups of mice, for purposes of control, which received no injections of the peroxide. The conclusion of the scientific witness who conducted these experiments at an eastern university is that the product there under study had no effect inhibitory or stimulatory, on such growths. The experiments with diperoxide of diformaldehyde are relevant to a consideration of the products here involved inasmuch as this peroxide is allied to the product designated "Glyoxylide" and appears to have been used earlier by respondent William F. Koch in the treatment of cancer.

The record here further reveals that a commission appointed pursuant to legislation enacted by the Legislative Assembly of the Province of Ontario, Canada, to inquire into treatments offered for cancer, in rendering official report under date of February 7, 1942, to the Minister of

Health, stated that, in nine cases of cancer "treated by Glyoxylide" and observed until final termination, no curative or remedial effects were observed from the standpoint either of prolongation of life, regression of tumor or suppression of symptoms.

PARAGRAPH EIGHT: In opposition to the allegations of complaint, respondents have introduced testimony and other evidence relating to specific instances in which their products have been administered to human patients or to animals and other testimony respecting the opinions which certain of the witnesses who are doctors of medicine or practitioners of other healing arts have formed as to respondents' products. These opinions, formed primarily on the basis of their use of such preparations, are to the general effect that respondents' products have significant therapeutic value. It is urged by respondents that this testimony including that pertaining to instances of actual use demonstrates that their products have substantial therapeutic value.

It is the view of the Commission that the evidence relating to the case histories of these selected cases is unconvincing and that it constitutes a wholly inadequate basis for a conclusion that respondents' products possess therapeutic value. For instance, very grave doubts are warranted as to the correctness of the diagnoses made in various instances and this is particularly true in certain of the cases where, in the absence of corroborative biopsy, the patient was deemed to have cancer or to have had a recurrence of cancer. The improvement in condition apparently manifested in some instances following administration of one of respondents' products undoubtedly was attributable to such conventional therapeutic treatment as was rendered to the patient previously, simultaneously or subsequently rather than to the effects of the administration of respondents' products. In other instances, the particular disease being treated belongs in that category of disorders the

symptoms of which may be subject to complete or substantial remission causing them to disappear, perhaps to reappear months or years later, and in still others the diseases themselves are self-limiting and/or their symptoms are of definite duration.

In no single category of the diseases and ailments does the testimony relating to clinical use in specific cases embrace a substantial number of cases, and in reference to more than 20 of such categories the testimony in each instance relates to use of respondents' treatment on one patient. The evaluation of a therapeutic preparation, however, requires study of a substantial number of cases correctly diagnosed. Evaluation, moreover, usually contemplates some knowledge of the ratio of cures to trials. Considering that respondents' products have been in existence for more than two decades, there is a singular lack of test data or information obtained from controlled clinical work to corroborate the representations for therapeutic value used by respondents in promoting the sale of these products.

PARAGRAPH NINE: The preponderant weight of qualified scientific opinion is that the oxidation processes have no direct bearing on natural immunity, that the degenerative diseases and the allergies are not caused by a defect of the oxidation mechanism, and that respondents' products have no beneficial role whatsoever in carbohydrate or glucose oxidation. On the basis of the greater weight of the evidence received in this proceeding, it is the conclusion of the Commission that respondents' preparations possess no therapeutic value and that their use in any dilution will not benefit any disease or condition of the human body or in animals.

PARAGRAPH TEN: The statements appearing in the advertising and promotional matter used by respondents, of which the statements contained in Paragraph Four hereof are typical and which, as found in Paragraph Five hereof,

represent directly and by implication that respondents' products have therapeutic value in the treatment of the diseases, disorders and conditions referred to, including those statements which represent directly and by implication that the efficacy of respondents' products and their method of treatment is attested, demonstrated or proved by the results afforded in the clinical use of such preparations, constitute false representations of material facts. The Commission, therefore, finds that such advertisements are false and misleading and constitute false advertisements.

Respondents contend that no public interest exists in this proceeding for the reason that dissemination of the advertising statements has been restricted to members of the medical profession having the requisite training to understand and evaluate therapeutic claims made for medicinal products. As previously stated, respondents' promotional literature has been disseminated to doctors of medicine, including homeopathic physicians, and to practitioners of other healing arts including naturopathy. It is noted, moreover, in this connection, that representations phrased in somewhat different language but similar in general import to certain of the advertising statements appearing in Paragraph Four hereinbefore, particularly as they relate to the treatment of cancer, also have appeared in media coming to the attention of the lay public. An example is certain folders furnished by respondents for distribution to patients of practitioners purchasing respondents' preparations. It is not true, therefore, that the dissemination of respondents' advertising matter has been limited to such persons as have the requisite training to accurately appraise the false representations of material facts appearing in the advertising, but, even if that situation had obtained, the provisions of, and the public policy expressed in the Federal Trade Commission Act, as amended, would require the corrective action being taken in this proceeding to eliminate the false representations found to have been made.

PARAGRAPH ELEVEN: The use by respondents of the advertising matter heretofore described has had the capacity and tendency to deceive and mislead prospective purchasers and purchasers of respondents' products into the belief that the statements and representations are true and, by reason of the erroneous and mistaken beliefs so engendered, to induce the purchase of respondents' products.

CONCLUSION

The aforesaid acts and practices as herein found have been to the prejudice of the public and constitute unfair and deceptive acts in commerce within the intent and meaning of the Federal Trade Commission Act.

It appears from certain documents which have been filed on behalf of respondents that, subsequent to the institution of this proceeding, the respondent corporation, Koch Laboratories, Inc., was dissolved and that it does not exist as a corporation. In the circumstances, therefore, respondent Koch Laboratories, Inc., is not being included as a party to the order to cease and desist which is issuing separately herein. The documents referred to contain indication also that the sale and distribution of the products here involved have been discontinued by the respondent individuals. In the opinion of the Commission, however, the public interest, in the circumstances here, requires issuance of an order prohibiting the respondent individuals from resuming or otherwise continuing the use of the unfair and deceptive acts and practices which were being used at the time and subsequent to the time when the complaint in this case was issued.

By the Commission.

(Seal)

W. A. Ayres,
Acting Chairman.

ISSUED: August 23, 1951
ATTEST: D. C. Daniel,
Secretary.

United States of America

Before the

FEDERAL TRADE COMMISSION

Commissioners:

James M. Mead, Chairman
William A. Ayres
Lowell B. Mason
John Carson
Stephen J. Spingarn

In the Matter of	
Koch Laboratories, Inc., a corporation, William F. Koch, individually and as an officer of Koch Laboratories, Inc., and Louis G. Koch, individually and as an officer of Koch Laboratories, Inc.	Docket No. 4772

ORDER TO CEASE AND DESIST.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the joint answer of respondents, testimony and other evidence introduced before a trial examiner of the Commission theretofore designated by it, recommended decision of the trial examiner and exceptions thereto, briefs in support of and in opposition to the complaint, and oral argument; and the Commission having made its findings as to the facts and its conclusion that the above-named respondents have violated the provisions of the Federal Trade Commission Act:

It Is Ordered that respondents William F. Koch and Louis G. Koch and their respective agents, representatives and employees, directly or through any corporate or other

device, in connection with the offering for sale, sale or distribution of the preparations designated "Glyoxylide," "B-Q," also referred to as "1:4 Benzoquinone," "Malonide Ketene Solution," and the components of said last-named preparation designated as "Malonide" and "Ketene," or any other products of substantially similar composition or possessing substantially similar properties, whether sold under the same names or any other names, do forthwith cease and desist from:

(1) Disseminating or causing to be disseminated by means of the United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which represents directly or by implication:

(a) That the preparation "Glyoxylide" is an adequate treatment for cancer, leprosy, malaria, coronary occlusion or thrombosis, multiple sclerosis, arteriosclerosis, angioneurotic, oedema, obliterative endarteritis, asthma, hay fever, demential praecox, epilepsy, psoriasis, poliomyelitis, tuberculosis, syphilis, arthritis, osteomyelitis, allergy, infection, abscess of the prostate gland, septicaemia, or insanity, or that said preparation has any therapeutic value in the treatment of any of such conditions;

(b) That the preparation "B-Q" constitutes an adequate treatment for any of the infections or sequelae thereof, gonorrhea, salpingitis, sinusitis, meningitis, infantile paralysis, septicaemia, streptococcus sore throat, pneumonia, undulant fever, malaria, coronary thrombosis, any of the allergies, diabetes, cancer, arthritis, or any degenerative disease, or that said preparation possesses any therapeutic value in the treatment of any of such conditions;

(c) That the preparation "Malonide Ketene Solution," or either of its components "Malonide" and "Ketene," constitutes an adequate treatment for any of the allergies or infections, diabetes, cancer, double pneumonia, osteomyelitis, or post operative meningitis.

or that said preparations possess any therapeutic value in the treatment of any of such conditions:

(d) That any of said preparations possess therapeutic value or that their use will be of benefit in the treatment of any disease of the human body or in animals.

(2) Disseminating or causing to be disseminated any advertisement by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of said products in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement contains any representation prohibited under paragraph (1) hereof.

It Is Further Ordered that the respondents, William F. Koch and Louis G. Koch, shall, within sixty (60) days after service upon them of this order, filed with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

(Seal)

D. C. Daniel,
Secretary.

ISSUED: August 24, 1951.

APPENDIX B-1.

Kentucky Revised Statutes (1948 Ed.), Section 311.110.

"Grounds for suspension; revocation; refusal to issue license. The board may suspend, revoke or refuse to issue any license to practice medicine for any of the following causes:

(1) Presentation to the board of any license certificate or diploma illegally or fraudulently obtained, or the practice of fraud or deception in passing an examination.

(2) The commission of a criminal abortion, or conviction of a felony involving moral turpitude.

(3) Chronic or persistent inebriety or addiction to a drug habit to an extent that disqualifies from practicing with safety to the people.

(4) Other grossly unprofessional or dishonorable conduct of a character likely to deceive or defraud the public."

APPENDIX B-2.

Kentucky Revised Statutes (1948 Ed.), Section 311.120.

"Hearing on suspension, revocation; appeal to Governor from any action concerning license.

(1) In every proceeding for suspension or revocation the holder of the license shall be furnished with a copy of the complaint and given at least thirty days thereafter to prepare for the hearing. He may be heard in person and by counsel. The board may take oral or written proof for and against the complaint as it considers will best present the facts.

(2) Upon suspension or revocation of a license the board shall give official notice of its action, under seal, to the county clerk of the county in which the licensee is registered, and his name shall be marked as suspended for the period indicated or stricken from the register in accordance with the notice.

(3) In all cases of suspension, revocation or refusal to issue a license, the applicant or licensee may appeal to the Governor, who may affirm or overrule the decision of the board."

APPENDIX B-3.

Kentucky Revised Statutes (1952 Act), Subsection (1) of Section 311.595.

"(1) Where such power has not been transferred by statute to some other board, commission or agency of this state, the board may place a licensee on probation for a period not to exceed two years, or may suspend a license for a period not to exceed two years, or may revoke any license heretofore or hereafter issued by the board, upon proof that the licensee has:

(a) Knowingly made or presented, or caused to be made or presented, any false, fraudulent or forged statement, writing, certificate, diploma or other thing, in connection with an application for a license or permit;

(b) Practiced, or aided or abetted in the practice of, fraud, forgery, deception, collusion or conspiracy in connection with an examination for a license;

(c) Committed an unlawful abortion;

(d) Been convicted of a felony involving moral turpitude;

(e) Become addicted to a drug habit;

(f) Become a chronic or persistent alcoholic;

(g) Developed such physical or mental disability, or other condition, that continued practice is dangerous to patients or to the public;

(h) Engaged in dishonorable, unethical or unprofessional conduct of a character likely to deceive, defraud or harm the public;

(i) Knowingly made, or caused to be made, or aided or abetted in the making of, a false statement in any birth, death, premarital, or other certificate or document executed in connection with the practice of his profession;

(j) Employed, as a practitioner of medicine or osteopathy, in the practice of his profession in this state, any person not duly licensed; or otherwise aided, assisted or abetted the unlawful practice of medicine or osteopathy or any other healing art;

(k) Violated the code of conduct promulgated by the board under subsection (4) of KRS 311.600;

(l) Violated any order of suspension, or the terms or conditions of any order of probation, issued by the board."

APPENDIX B-4.

Kentucky Revised Statutes (1952 Act), Subsection (4) of Section 311.595.

"(4) Any licensee who is aggrieved by an order of the board placing the licensee on probation, or suspending or revoking his license may procure a declaration of rights under the Declaratory Judgment Act by filing, within thirty days after notice of said board order, a petition in equity against the board in the circuit court of Jefferson County, Kentucky, together with a bond with good and sufficient sureties thereon to cover all costs, which petition shall request judicial review of the board order and proceedings held by the board, or its hearing officer, and set out with particularity the alleged grounds relied upon for reversal or modification of the board order. Summons and a copy of the petition may be served upon the secretary for and on behalf of the board, and the secretary shall, within thirty days after such service and the filing of said bond, file with the court a transcript of the record of hearing together with a certified copy of the board order complained of. The board may file an answer, or such other pleadings as it considers appropriate, and the court shall, after considering the transcript of record and the board order and any arguments of counsel, enter judgment. No new or additional evidence shall be introduced in the circuit court. In the event the action of the board is not sustained the court shall, upon request of the board, remand the case to the board for further proceedings. Any party aggrieved by the final judgment, order or decree rendered in the case by the Jefferson Circuit court may appeal therefrom to the Court of Appeals of Kentucky in the time, method and manner provided in the Declaratory Judgment Act and the Court of Appeals shall docket and advance the appeal as provided in said Declaratory Judgment Act."

APPENDIX B-5.

Kentucky Revised Statutes (1952 Act), Section 311.555.

Legislative purpose declared.

"It is the declared policy of the General Assembly of Kentucky that the practice of medicine and osteopathy, should be regulated and controlled as provided in KRS 311.550 to 311.620 in order to prevent empiricism and to protect the health and safety of the public."

APPENDIX B-6.

Kentucky Revised Statutes (1952 Act), Section 311.615.

"Continuation of existing licenses; limitation of authority.

(1) All licenses heretofore issued by the board for the practice of medicine or osteopathy, or any limited school or system, are hereby declared to be valid and in full force and effect unless they have become expired, cancelled, suspended or revoked in accordance with law.

(2) Nothing in KRS 311.550 to 311.620 shall be construed as hereafter conferring upon the board any authority to issue, suspend or revoke any license for the practice of dentistry, optometry, chiropractic, nursing or pharmacy."

APPENDIX C-1.

SHOW CAUSE LETTER DATED APRIL 17, 1950.

COMMONWEALTH OF KENTUCKY
STATE BOARD OF HEALTH
620 South Third Street
Louisville 2, Kentucky

April 17, 1950

Dr. Stanley Bandeen
Fincastle Building
Louisville, Kentucky

Dear Doctor Bandeen:

You are hereby notified to appear for a hearing before the State Board of Health of Kentucky at the Frankfort Country Club which is located one and one-half miles from Frankfort, Kentucky, on the Lexington Road at 10:30 A.M. on the 18th day of May, 1950, to show cause why your license to practice osteopathy in the Commonwealth of Kentucky should not be revoked because of grossly unprofessional or dishonest conduct of character likely to deceive or defraud the public in the treatment of cancer and tuberculosis.

You may appear in person or by counsel or both, as you may desire.

State Board of Health,
By (s) Bruce Underwood, M. D.
Secretary

Registered Return
Receipt Requested